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1 RECORD OF ORAL HEARING  
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3 UNITED STATES PATENT AND TRADEMARK OFFICE  
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5  
6 BEFORE THE BOARD OF PATENT APPEALS  
7 AND INTERFERENCES  
8

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10 Ex parte WALTER M. BAIN  
11

12  
13 Appeal 2008-2809  
14 Application 10/755,849  
15 Technology Center 3600  
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18 Oral Hearing Held: April 7, 2009  
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21  
22 Before HURBERT C. LORIN, DAVID B. WALKER, and BIBHU R.  
23 MOHANTY, Administrative Patent Judges  
24

25 ON BEHALF OF THE APPELLANT:  
26

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32 The above-entitled matter came on for hearing on Tuesday, April 7,  
33 2009, commencing at 9:55 a.m., at The U.S. Patent and Trademark Office,  
34 600 Dulany Street, Alexandria, Virginia, before Christine L. Loeser, Notary  
35 Public.  
36  
37

1 JUDGE LORIN: Good morning, Counsel.

2 MR. CANNON: Good morning.

3 JUDGE LORIN: If you could state your name clearly for the court  
4 reporter.

5 MR. CANNON: James R. Cannon.

6 JUDGE LORIN: Okay, Counsel. We are familiar with the record.  
7 When you are ready, you may proceed. You have 20 minutes.

8 MR. CANNON: All right. Forgive me because this is the first -- I  
9 have been practicing patent law for 18 years but this is my first oral hearing.  
10 I'm a little bit at a loss of where to begin.

11 I'd be more than happy to talk about the invention. I would be more  
12 than happy to talk about the prior art, the rejection, but I guess I'm ...

13 JUDGE MOHANTY: We are familiar with the invention. I think we  
14 are all -- it's very simple and has been described. It might be good to focus  
15 on what you think the deficiencies in the rejection are.

16 MR. CANNON: Sure.

17 JUDGE MOHANTY: We have two sets of rejections. Actually, I just  
18 wanted to clarify with you, we have two different sets of rejections, and I  
19 noticed the Examiner's Answer. I don't know if you noticed that, too.

20 MR. CANNON: They changed.

21 JUDGE MOHANTY: They changed. But he seems to acknowledge  
22 that the ones that you addressed in your brief are the correct rejections. I  
23 just want to make sure we are on the same page as that.

24 You have the first set that is under Williams and Schlampf and Liff,  
25 and the second is just Williams and Schlampf. So if you want address what  
26 you think the deficiencies are.

1           MR. CANNON: Sure, sure. Williams is really a typical pharmacy  
2 with a computerized system that addresses certain stations or certain tasks  
3 within the pharmacy. Obviously, within a pharmacy, you have got a number  
4 of things that you have to do to go from prescription to dispensing or  
5 distribution of the prescription to the patient.

6           Some of these are state regulations, some are federal regulations,  
7 whatever. Williams is really devoted to trying to track some of those with a  
8 computer system and automate it as much as possible.

9           What's clearly missing from Williams is any sort of a true will-call-  
10 type system other than a set of cubbyholes that as best I can tell really don't  
11 have any connection to that pharmacy information system at all.

12           Simply, when the prescription is done, they stick it in one of the  
13 cubbyholes, and when the patient shows up to collect the prescription, they  
14 retrieve it and hand it to him.

15           So even though there was some thought in Williams about how to  
16 make a pharmacy more efficient, clearly it never got to the point of, now the  
17 prescription is finished. What do we do to get it to the patient a little more  
18 efficiently?

19           Schlumpf -- and that's the way I pronounced it in my head all these  
20 weeks so I'm going to continue to do that -- is really a glorified vending  
21 machine. It's a way for a merchandiser to put merchandise into a locker or  
22 something similar from one side of the building and have the customer  
23 access it from the other side of the building at the customer's convenience.

24           One of the deficiencies is it never mentions prescriptions as a possible  
25 piece of merchandise for dispensing. I suspect one of the reasons for that is  
26 that there are a lot of regulations that go into getting a prescription from a

1 pharmacist to a patient, and they may have just not have been interested in  
2 trying to do something with that level of security and regulation.

3 Liff is a little different. It dispenses what they call pre-packaged  
4 pharmaceuticals. It is essentially a way for a doctor's office to make it easier  
5 on the patients if a doctor prescribes something common, whether it be  
6 Amoxicillin or Lipitor, something like that.

7 That makes it easy for those very commonly dispensed  
8 pharmaceuticals to be given to the patient on site, but it is all prepackaged in  
9 the machine.

10 There is no way to vary the prescription. There is no way to  
11 customize the prescription. The customer just simply -- or the patient goes  
12 over and grabs one out of the -- grabs a prescription out of the machine. So  
13 it's very limited as a result.

14 JUDGE MOHANTY: There is talk in there about the patient picking  
15 it up in column 5.

16 MR. CANNON: In Liff?

17 JUDGE MOHANTY: In Liff. In column 5, it talks about  
18 alternatively, the prescription can be dispensed directly to the patent, but  
19 patient.

20 MR. CANNON: Right.

21 JUDGE MOHANTY: There is a way.

22 MR. CANNON: There is a way to do that. How widespread that  
23 usage might realistically be, particularly again, because it's so limited to the  
24 very few prescriptions that it is --

25 JUDGE MOHANTY: You do have to go back and scan and get the  
26 label.

1 MR. CANNON: Correct.

2 JUDGE MOHANTY: So the patient that does that still has to go back  
3 and get the label, apply it to the bottle and then get the other safety factor  
4 sheet.

5 MR. CANNON: I think realistically, at most doctors' offices they  
6 might say that here the patient can go pick it up out of the machine, but I  
7 suspect most reputable doctors' offices would require that they be the ones  
8 doing the dispensing and applying the label. Otherwise, I think they would  
9 run a pretty serious risk of liability.

10 JUDGE MOHANTY: I want to know what your strongest argument  
11 is for not combining these three references which pretty broadly show  
12 dispensing machine. You see pharmaceuticals being dispensed. You see  
13 one reference where someone goes in there, puts an ID card. I want to see  
14 what your strongest arguments are for not combining these references with  
15 examples.

16 MR. CANNON: I think two things, really. One is that -- and this is  
17 mentioned in the brief. Forgive me for not having perfect recall of the brief.  
18 I didn't write it.

19 JUDGE MOHANTY: There is a lot of stuff going on there.

20 MR. CANNON: I didn't -- this was transferred to our firm sometime  
21 after the brief was written. But he mentions -- the author of the brief  
22 mentions the fact that there were a lot of people working in this field at the  
23 time.

24 Even though one of the great driving forces -- and this actually is one  
25 of the few things in the Examiner's Answer that I agree with. He mentioned  
26 -- he never mentioned three or four different motivations for combining

1 these references, and the only one that made any sense, actually, was that  
2 you want to make the pharmacy more efficient.

3 People were working to make the pharmacy more efficient, and in the  
4 brief, he lists the Rosenblum patent. He lists a Penny patent, I believe is the  
5 woman's name. And both of them were trying to make the pharmacy more  
6 efficient, yet didn't arrive at this conclusion.

7 Shortly after the inventor's work became published, all of a sudden  
8 everybody was latching onto this idea. Yeah, we really could dispense to the  
9 customers through some sort of automated will-call. So as a -- as an  
10 objective indicia of obviousness, I think that's pretty good.

11 At least it helps to take us back to the time that this invention was  
12 made and gives us a chance to look without hindsight to see what was  
13 actually going on with people that were -- people who are skilled in the art.

14 JUDGE MOHANTY: It sounds like that is a secondary consideration  
15 argument. I don't know whether that was a long-felt need. I am not sure  
16 what that specific argument is.

17 MR. CANNON: I guess the way I would look at it, and as I read the  
18 brief, this is the way I would interpret it, is that I believe that the Appellant's  
19 position has to be that these are being combined with the benefit of  
20 hindsight, that no one would have thought to do this at the time.

21 There really wasn't any sort of motivation to put these together, and  
22 this is evidence that no one was doing that.

23 JUDGE MOHANTY: In terms of evidence that no one was doing it,  
24 that's a secondary consideration. In terms of prima facie case, you are  
25 arguing that there was no motivation to combine them.

26 MR. CANNON: There isn't. I don't see that. Liff creates a few

1 problems. Certainly the rejections that are Schlampf, the combination of  
2 Williams and Schlampf, there is no mention in Williams of any sort of  
3 distribution system. There is no mention in --

4 JUDGE MOHANTY: If I look at the Schlampf reference, for  
5 example, it's a vending machine and you have to identify a code to put  
6 something in. I think that's clearly disclosed. Why wouldn't it be obvious to  
7 put anything in there -- gumdrops, cigarettes, prescriptions?

8 MR. CANNON: My suspicion is that it is just the nature of  
9 prescriptions. Given the serious level of regulation and the serious level of  
10 liability on the part of the pharmacy, that it would be very difficult to do.

11 Another thought that occurred to me was if you look at Williams --  
12 and again, a lot of Williams is based on the -- a lot of the basis for it is the  
13 software that's used to run the pharmacy.

14 Whenever modifications -- you couldn't just take the Schlampf  
15 machine and stick it in the pharmacy and have it work. It would require a  
16 fairly serious overhaul.

17 So not only would someone have to go to the trouble to recognize that  
18 there's the potential for automation in pharmaceutical distribution and in  
19 what is a very critical step in the whole pharmaceutical process, but they  
20 would have to remove the old system and they would have to find an  
21 appropriate wall to put it in which most pharmacies really don't have.

22 I mean, you'll see a typical pharmacy, they will have sort of an area.

23 JUDGE MOHANTY: Not all your claims require the wall.

24 MR. CANNON: Agreed.

25 JUDGE MOHANTY: In fact, you haven't made the argument for the  
26 wall. Take, for example, claim 81, and this is just under rejection 2



1 references. If you could turn to 81.

2 If you can tell me, like, for example, this claim, is there anything in  
3 this claim specifically that you think is not shown in the references? You  
4 talk about multiple pieces of information, but wouldn't that just be obvious:  
5 First name, last name, credit card information?

6 MR. CANNON: I think if you consider the -- if you consider -- let's  
7 say each subparagraph as an element on its own. Probably none of them are  
8 shown. If you divide those paragraphs into subelements, then yeah, they  
9 probably are all shown.

10 JUDGE MOHANTY: So you just think the basic is not obvious  
11 because prescriptions are more complicated?

12 MR. CANNON: What I was going to lead to earlier was when the  
13 Schlampf machine has to be modified, one of the things that has to work to  
14 make it work with a system like Williams is to modify its software, not only  
15 to do the distribution but also to talk to the Williams software.

16 So you are going to have to create software to link the prescription,  
17 the location for loading. You are going to have to create software to link the  
18 customer input to the location and you are going to have to integrate that  
19 software with software that's already present in the pharmacy in order to  
20 make it work.

21 That's a lot of modification to what's a fairly simply machine in the  
22 case of Schlampf.

23 A couple of other things I wanted to mention. Claim 66 recites,  
24 "providing counseling regarding the prescription via the automated  
25 dispenser."

26 Williams talks about counseling because that's what pharmacists do.

1 But it never gives the -- it never provides the idea of actually providing  
2 counseling to the customer through an automated dispenser, and certainly  
3 Schlampf doesn't talk about that either.

4 There are also some dependent claims, 68, 77, 93 and 112, that talk  
5 about either automatically billing an insurance provider --

6 JUDGE MOHANTY: Was that 67, 88?

7 MR. CANNON: I'm sorry. 68, 77, 93 and 112 that talk about either  
8 automatically billing an insurance provider or automatically billing some  
9 third party. Again, that's clearly not part of what Schlampf is doing with  
10 their machine.

11 And then the last that, again, I think is a key difference, claims 82, 83,  
12 95 and 110 talk about scanning the information about the prescription to  
13 enter the customer information to begin with.

14 Again, that's something that any pharmacy -- is going to be convenient  
15 for any pharmacy to do. That's why they have bar codes on prescriptions to  
16 start with. The ability to simply scan the prescription and get all the  
17 information in and then be able to use that information as part of their  
18 automatic distribution system again is something that Schlampf never really  
19 touches on.

20 JUDGE MOHANTY: I have no further questions.

21 JUDGE LORIN: Thank you, Counsel.

22 MR. CANNON: Thank you very much.

23 (Whereupon, the proceedings at 10:09 a.m. were concluded.)

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